



High ^ lights

Annual Review 2020

FACULTY REPRESENTATIVE, PUBLIC POLICY, REGULATORY,
TECHNICAL WORK, SERVICES AND FINANCIAL STATEMENT

The voice of corporate finance

THE CORPORATE FINANCE FACULTY WOULD LIKE TO THANK ITS MANY MEMBER ORGANISATIONS FOR THEIR SUPPORT IN 2020 AND 2021

3i
ABN AMRO Commercial Finance
Addleshaw Goddard
Agathos Management
Albion Capital
Anthesis
Arbuthnot Commercial
Asset Based Lending
August Equity
Azets
BDB Pitmans
BDO
Beauhurst
Beechbrook Capital
Beer Mergers
BGF
BOOST&Co
Brewin Dolphin
British Business Bank
Brunel Business School
Burgess Salmon
Buzzacott
Cavendish Corporate Finance
Chatham Financial
The Business School (formerly Cass),
City, University of London
Clydesdale Bank
Connection Capital
Corbett Keeling
Crowe UK

Deloitte
Dentons
Development Bank of Wales
Drooms
Duff & Phelps
ECI Partners
EY
FRP Advisory
Gibson Dunn
Grant Thornton
Gresham House Ventures
Haysmacintyre
Headpoint Advisors
HMT
ICON Corporate Finance
IGF
Investec
James Cowper Kreston
KPMG
LDC
Lexington Corporate Finance
MarktoMarket
Mazars
Media Asset Capital
Menzies
MHA MacIntyre Hudson
mnAI
Mobeus Equity Partners
Moore Kingston Smith
Newable Capital

NorthEdge Capital
OMERS Private Equity
Panoramic Growth Equity
PEM Corporate Finance
Perscitus Advisers
PKF Francis Clark
Price Bailey
PwC
Quantuma
Ramboll
RSM
Rutland Partners
RVE Corporate Finance
Ryecroft Glenton
Saffery Champness
Salonica Group
Simmons & Simmons
Smith & Williamson
Spectrum Corporate Finance
Strand Hanson
Taylor Wessing
Thinkat Advisory
TLT
Travers Smith
UHY Hacker Young
UK Government & Investment
WestBridge Capital
WSP
Yorkshire Bank



If you would like your organisation to become part of the faculty's extensive network of professionals and companies involved in corporate finance, please contact grace.gayle@icaew.com or phone her on +44 (0)20 7920 8689

Chair's report



Reflection on 2020 can only begin with the huge cost of the COVID-19 pandemic on lives, livelihoods, families and businesses across the world. As I write these comments in mid-May 2021, it is still far too soon to suggest that the global crisis is over but, with the mass vaccination campaigns now underway in many countries, we can at least be cautiously optimistic.

The cover of last December's issue of *Corporate Financier* magazine was very aptly headlined 'True grit'. 2020 had been such a huge test of the resilience of many people, companies, advisory firms and investors.

The Corporate Finance Faculty has helped its members respond to that unique challenge in 2020 and 2021 in several very important ways. Supported closely by the Board, the Technical Committee and member firms, David Petrie and his team at the faculty played a big part in ICAEW's work, particularly in the middle months of 2020, by working closely with the UK Government, the Bank of England and the British Business Bank as they introduced vital state emergency funding programmes for companies and employees.

The faculty continues to provide information, guidance and advice about financial and business aspects of the pandemic – as well as the UK's exit from the EU.

It has also carefully considered its potential role in helping its members in the recovery from the crisis. In September, the faculty announced three major new themes to shape its work in 2020-2022: Global Investment and M&A; Innovation and Sustainable Recovery; and Future Advisory Professionals. Those themes are already prominent in *Corporate Financier* magazine and will become more so throughout the faculty's communications and services in 2021.

Meanwhile, the faculty has continued to apply itself to many other areas of public policy, regulation and technical guidance that affect corporate finance. It has led ICAEW's response to the UK Government's National Security & Investment Bill – legislation that could affect more than 1,000 deals every year. It has also hosted roundtables as part of Lord Hill's review of the UK Listing Rules, a welcome initiative to make London more attractive as a destination for IPOs.

Taking a worldwide perspective, the faculty has helped to organise and host online forums about multinational M&A, private equity in Europe and doing deals in the Middle East.

New technologies that use big data are already transforming many areas of life, so it is particularly encouraging that the faculty has built on the effectiveness of initiatives such as AI in Corporate Advisory to work with partners such as the All Party Parliamentary Group on Artificial Intelligence – co-chaired by my fellow faculty Board member Lord Clement-Jones CBE – to assess how deep tech will inform decision-making and investment.

The next few years will also be even more important for many professionals – not least chartered accountants and ICAEW – in terms of the reform of audit regulation and oversight. The Corporate Finance Faculty will continue to play a vital role in ensuring that professional services firms can provide expert advice that companies (and economies) need to grow sustainably over the long term.

On behalf of the Board, I would like to thank our members for their continued support – through their membership, and importantly, their generous contribution of time to many areas, including the Technical Committee, hosting events and webinars, and contributing to *Corporate Financier*. This enables the valuable work of the faculty to continue at pace. Finally, I would like to add a big 'thank you' to David Petrie and his team, who are vital to the faculty's success.

A handwritten signature in black ink, appearing to read 'Mo Merali'.

MO MERALI
Chair, ICAEW Corporate Finance Faculty

Major initiatives in 2020

THE CORPORATE FINANCE FACULTY'S WORK ON BEHALF OF ITS MEMBERS

1

THE COVID-19 PANDEMIC

The Corporate Finance Faculty played a significant part in ICAEW's provision of information, advice and guidance for businesses and advisers about the COVID-19 crisis and emergency business funding and business support. *Corporate Financier* included many in-depth reports about responses to the crisis, the impact on M&A and international capital markets – and the faculty updated members via its monthly e-bulletin. The faculty also worked with the British Business Bank to update the Business Finance Guide with new online information and guidance about cash management and working capital in turbulent times. Visit businessfinanceguide.co.uk. The crisis meant that the faculty hosted all its events, as well as its Board meetings and Technical Committee meetings from March 2020 online, instead of face-to-face. It was forced to postpone its Annual Reception, scheduled to take place in November, but hopes to be able to host it in London on the evening of 3 November 2021.

2

NEW THEMES

In September 2020, the Corporate Finance Faculty announced three big themes for its work on behalf of members in 2020-2022. They will reflect the changing role of corporate finance across the world, including during the global crisis, the expansion and growth of the advisory practices at the faculty's member organisations, the new expertise, skills and qualifications required by professionals, and ICAEW's strategic priorities. The faculty team developed its new themes in discussion with the Board and the Technical Committee. The themes, introduced throughout the faculty's digital media and publications, are: • Global Investment and M&A - how corporate finance is shaping capital raising, driving transactions and supporting business transformation to help economies adapt. • Innovation and Sustainable Recovery - how corporate finance is boosting entrepreneurship, business expansion and novel approaches to meet the economic, technological, environmental and social challenges of the 2020s. • Future Advisory Professionals - how professionals involved in corporate finance are developing expertise, new skills and new technologies to advise businesses, ensure successful investment and effective deal-making.

3

DEVELOPING CORPORATE FINANCIER

The faculty organised an Editorial Roundtable on 9 September to discuss the development of *Corporate Financier*. The agenda included the magazine in the context of ICAEW, the faculty's three big new themes, thought leadership, research and development and creating new ideas. The online meeting included the faculty team, magazine editor Marc Mullen, representatives of Sunday Publishing, and the faculty's Editorial Panel: David Coffman (Novum Capital); Selina Sagayam (Gibson Dunn; member of the Corporate Finance Faculty's board); Victoria Scott (Albion Capital); and Jon Stubbings (Grant Thornton).

4

THINKING GLOBALLY

More than 500 people registered for the Corporate Finance Faculty's special online forum on 1 December 2020 about the international outlook for 2021. The panellists were: David Collins, UK head of corporate and co-chair of the Global M&A Group, Dentons; Diane Craig, head of capital markets, RSM; Chris Hunt, group head of M&A, Rentokil Initial Plc; Chris Hurley, chief portfolio officer, LDC; and Mo Merali, national head of private equity, Grant Thornton and chair of the faculty. They discussed hotspots for M&A, private equity deals and IPOs, how Zoom culture was changing the way deals were being done, and the skills, knowledge and approaches that advisers needed during the COVID-19 crisis – and beyond.

5

PRIVATE EQUITY DEMYSTIFIED

ICAEW's Corporate Finance Faculty worked with Oxford University Press (OUP) to publish the fourth edition of *Private Equity Demystified* by John Gilligan and the late Professor Mike Wright. This latest edition is a fully-fledged textbook running to some 400 pages and is one of the most comprehensive and informative reviews of the asset class and its increasing significance. The faculty has made *Private Equity Demystified* freely available for members of the Corporate Finance Faculty to download at icaew.com/privateequity

6

PRIVATE EQUITY IN EUROPE

A joint online forum on 4 November 2020, organised by the Corporate Finance Faculty, ICAEW's Europe team and the Chartered Institute of Securities & Investment (CISI), discussed private equity and economic growth, which countries and industrial sectors were attracting investment and the challenges of doing deals in the time of COVID-19. The participants were Zeina Bain, managing director, ICG; Alan Flanagan, Head of Fund Services, BNY Mellon Asset Servicing; Hector Lloyd, director, BlackRock Private Equity Services; Andreas Yiasemides, partner, PwC and president of the Cyprus Investment Funds Association; Kevin Moore, global business development director, CISI, co-host of the forum; and David Petrie, head of corporate finance, ICAEW – co-host and panel moderator. Christiana Diola, ICAEW's head of Greece and Cyprus, and Katerina Joannou, ICAEW's capital markets lead, organised the event.

7

INVESTMENT IN THE MIDDLE EAST

The Corporate Finance Faculty's Middle East panel held a virtual event on 11 November covering support for business transformation to help economies adapt to COVID-19, sources of capital and fast-track M&A. The panel was moderated by David Petrie, and coordinated by ICAEW's MEASA regional team. The Corporate Finance Faculty's Middle East panel is chaired by Sam Surrey, partner, Middle East Financial Advisory Transaction Services, Deloitte Corporate Finance.

8

DIVERSITY AND START-UPS IN EAST LONDON

The faculty provided pro bono assistance to the East London Inclusive Enterprise Zone, a programme to create an accessible, specially designed community for innovative, early-stage companies that have been founded by, employ or serve disabled people. The 30 start-ups involved the project, which ran for six months, were from a wide range of social, cultural and educational backgrounds. Faculty manager Shaun Beaney devised a face-to-face seminar about business plans in September 2020 and led a seminar about raising finance to grow companies, in October. The programme was organised by UCL Innovation & Enterprise, coordinated by Bhavna Malkani and formally supported by Plexal, Here East, Global Disability Innovation Hub, Disability Rights UK, Capital Enterprise, Greater London Authority, Loughborough University, London College of Fashion/University of the Arts London, Hackney Borough Council, Ford Mobility, Inclusion London, London Legacy Development Corporation and Barclays Eagle Labs.

9
10**NEW MEMBER FIRMS**

The faculty welcomed the following organisations as new members in 2020: Independent Growth Finance; Newable Capital; mnAI; Gresham House Ventures; and Ryecroft Glenton. There is a complete list of member firms on page 2 of this Annual Review.

DEFINING CORPORATE FINANCE

The Corporate Finance Faculty updated ICAEW's official definition of corporate finance in September 2020. The definition has been widely cited for reference across the world – including by Wikipedia. It was first developed by the faculty in 2005 and previously revised in 2011. The related web page was one of ICAEW's most visited and generated more than 120,000 unique page views in 2012-2019 – an average of 15,000 per annum. Visit [icaew.com/cff](https://www.icaew.com/cff) to find out more.

IMAGES**Top images**

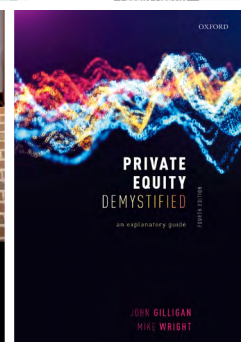
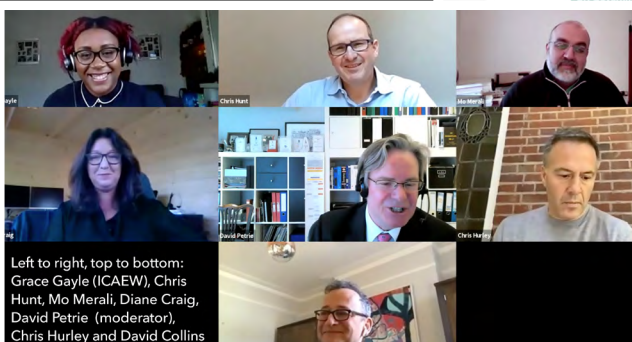
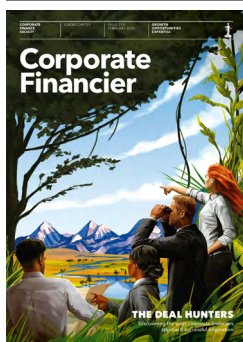
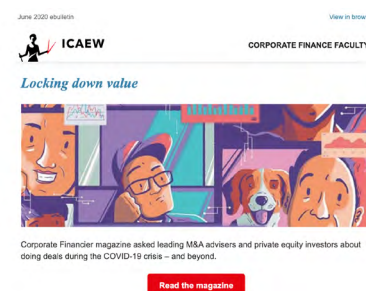
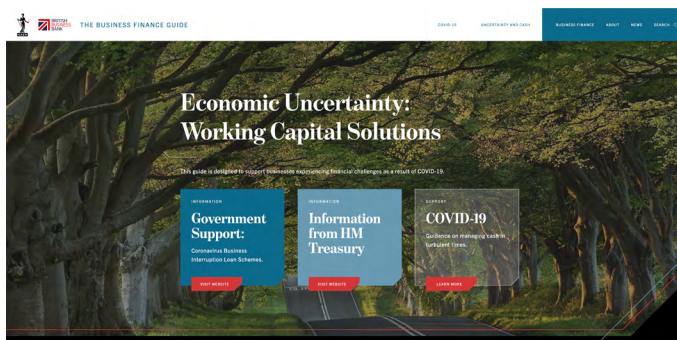
Business Finance Guide COVID-19. e-bulletin 2020.

Bottom images

Corporate Financier, February 2020.

The faculty's M&A forum in December.

Private Equity Demystified.



Representation and public policy

THE COVID-19 PANDEMIC

The Corporate Finance Faculty closely supported ICAEW's chief executive Michael Izza and director of communications and brand Jeremy Mooney when they were consulted by the UK Government about the Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme, the Covid Corporate Financing Facility, Bounce Bank Loans and the Future Fund. On 17 April, David Petrie, ICAEW's head of corporate finance, took part in an online meeting of the Business Finance Council, convened by Rt Hon Alok Sharma MP, Secretary of State for Business, Energy & Industrial Strategy (who is also an ICAEW member).

THE FUTURE OF AUDIT AND ADVISORY SERVICES

The UK Financial Reporting Council's Revised Ethical Standard came into effect for accounting periods starting after 15 March 2020. Changes aimed at strengthening auditor independence, preventing conflicts of interest and improving audit quality, had implications for non-audit services, including corporate finance. *Corporate Financier* in May 2020 considered implications for corporate financiers, and for directors.

NATIONAL SECURITY & INVESTMENT BILL

The Corporate Finance Faculty and ICAEW's Public Affairs department co-ordinated ICAEW's in-depth discussions and formal consultation with the government, MPs, peers and officials at the Department for Business, Energy & Industrial Strategy (BEIS) about the National Security & Investment Bill. On 24 November, David Petrie gave oral evidence on behalf of ICAEW to the Public Bill Committee of the House of Commons. The faculty set up an information hub at icaew.com/nationalsecurity

REVIEW OF THE UK LISTINGS REGIME

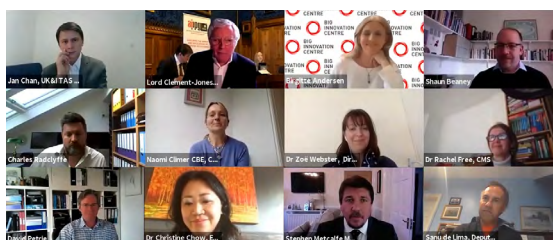
In November 2020, HM Treasury commissioned Lord Hill, former European Commissioner for Financial Stability, Financial Services & Capital Markets Union, to lead a review of the UK Listings Regime. The aim was to maintain high regulatory standards while ensuring London remains attractive to sizeable tech IPOs in particular. ICAEW's capital markets manager Katerina Joannou co-ordinated the faculty-led response by the Institute. The faculty subsequently hosted two roundtables for Lord Hill in January and February 2021. Lord Hill published his report and initial recommendations on 3 March 2021.

AI AND CORPORATE FINANCE

The All Party Parliamentary Group on Artificial Intelligence, the Big Innovation Centre and the Corporate Finance Faculty organised an online Evidence Meeting 'AI, Corporate Decision-making and Investment' on 11 May 2020. Because of the COVID-19 crisis, the meeting was hosted on Zoom instead of at the House of Lords. It was co-chaired by Lord Clement-Jones CBE (who is also a member of the Corporate Finance Faculty's board) and Stephen Metcalfe MP. The online meeting was public and joined by MPs, peers, company directors, investors, advisers and academics. The evidence panel included senior representatives of the Department for Business, Energy & Industrial Strategy, Innovate UK, EY, Hermes Investment Management, Fidelity International, the Institute for the Future of Work and ICAEW. The meeting highlighted the potentially transformative role of machine learning public and private investment and the importance of developing best-practice guidelines for AI adoption. These subjects were at the heart of the Corporate Finance Faculty's unique research report *AI in Corporate Advisory*, published in 2019 and co-authored by Shaun Beaney.

INVESTING IN INNOVATION AND CREATIVITY

Shaun Beaney was an assessor in October 2020, on behalf of ICAEW, for Innovate UK's new investor partnership programme for 'Transforming Food Production'. The partnership brought together venture capital investors with Innovate UK's grant funding for companies as part of the Industrial Strategy Challenge Fund. Shaun has previously assessed VCs' applications for similar partnerships for AI-based financial applications, quantum computing, immersive technologies and 'healthy ageing'. He is a member of the Creative Industries Council's Investment in Growth working group, chairs the Access to Finance working group of Immerse UK, and is a member of the advisory group for Department for Culture, Media and Sport's Creative Scale Up programme.



IMAGES

All Party Parliamentary Group on Artificial Intelligence Panel.

**GLOBAL INVESTMENT
AND M&A**

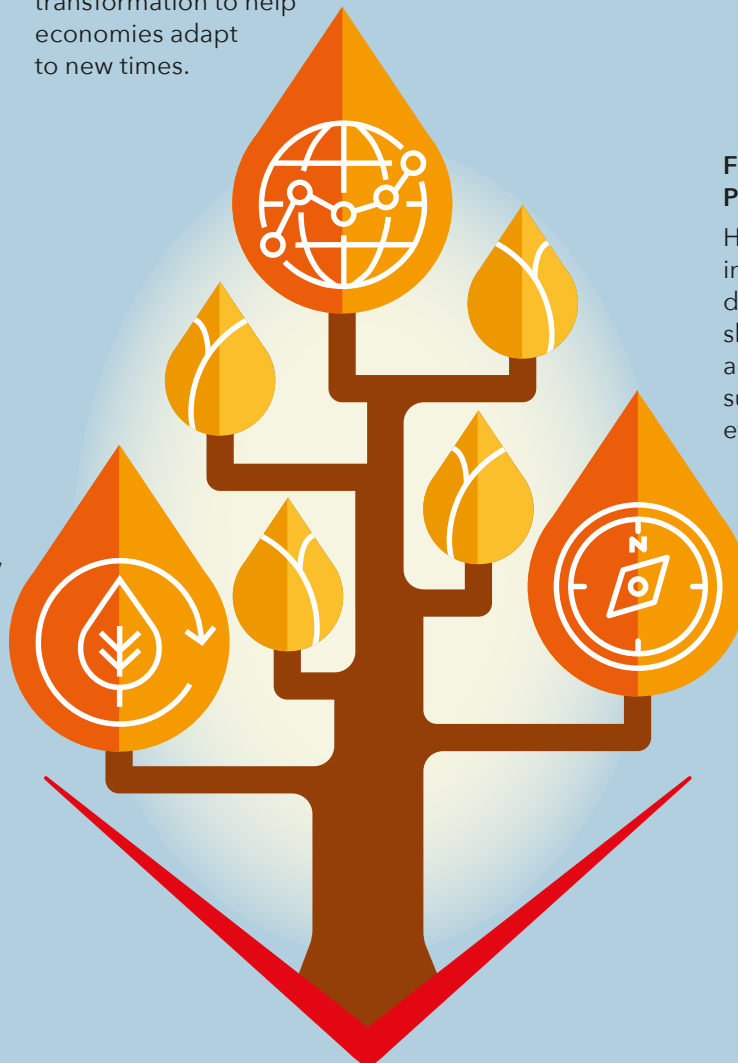
How corporate finance is shaping capital raising, driving transactions and supporting business transformation to help economies adapt to new times.

**INNOVATION AND
SUSTAINABLE
RECOVERY**

How corporate finance is boosting entrepreneurship, business expansion and novel responses to the economic, technological, environmental and social challenges of the 2020s.

**FUTURE ADVISORY
PROFESSIONALS**

How professionals involved in corporate finance are developing expertise, new skills and technologies to advise businesses on successful investment and effective deal-making.



New ideas for new times

To find out more, visit icaew.com/cff
contact shaun.beaney@icaew.com or phone +44 (0)20 7920 8769

Member communications and services

The Corporate Finance Faculty worked closely with its Board, its Editorial Panel and ICAEW's newly appointed business partner, Sunday Publishing, to develop *Corporate Financier* in 2020 – with a particular focus on information, guidance and ideas about responses to the COVID-19 crisis.

The faculty team also increased coverage in its monthly e-bulletin, emailed to all members, and redesigned its web pages at icaew.com/cff

THE DEAL HUNTERS

Discovering the ways corporate financiers approach successful origination

ROOTS FOR GROWTH

Opportunities and challenges in global lending

THE NEW GREEN AGE?

Environmentally aware investment may take centre stage as climate change returns to the agenda

CONSUMER FINANCE REVOLUTION

How the UK has been a big player in fintech's \$136bn annual global investment boom

THE FUTURE OF DEALMAKING

What's happening in the world of M&A during the pandemic?

RING THE CHANGES

How equity capital markets have responded to the pandemic

COSTING THE WORLD

How do we value companies and complete deals, through the crisis and beyond?

WHAT NEXT?

Global downturn and beyond

BUY! BUILD! BUY!

Is this the strategy for post-pandemic recovery?

TRUE GRIT

The endurance test for businesses



Technical leadership

CONSULTATION RESPONSES

The faculty's Technical Committee reviews and comments on draft regulation and legislation which it considers may impact on the day-to-day work of Corporate Finance Faculty members. The Technical Committee and faculty staff also contribute to ICAEW responses on other subjects.

ICAEW REP 09/21

Takeover Panel consultation on conditions to offers and the offer timetable

ICAEW REP 04/21

BEIS consultation on the National Security & Investment mandatory notification sectors

ICAEW REP 02/21

HM Treasury Call for evidence – UK Listings Review

ICAEW REP 102/20

Department of Work and Pensions (DWP) consultation on improving outcomes for members of defined contribution pension schemes

ICAEW REP 80/20

Financial Conduct Authority (FCA) proposals to enhance climate-related disclosures by listed issuers and to clarify existing disclosure obligations

ICAEW REP 47/20

EC proposals on a Sustainable finance strategy

ICAEW REP 46/20

The CityUK Recapitalisation Group's proposals regarding unsustainable business debt

ICAEW REP 41/20

Treasury Committee inquiry, Economic Impact of Coronavirus

ICAEW REP 38/20

AQSE Market Consultation

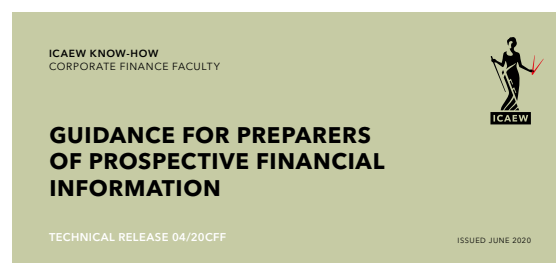
BEIS Committee inquiry, **Impact of Coronavirus on Businesses and Workers**, and the government's emergency support package

ICAEW REP 129/19

BEIS consultation regarding the proposed acquisition of Cobham plc by Advent International

TECHNICAL GUIDANCE

In May 2020, the faculty published Technical Release 04/20CFF Guidance for Preparers of Prospective Financial Information (PFI), a preparation guide for high-standard financial forecasts or projections. The guidance, which replaces the 2003 version, came into effect on 15 October 2020 and can be accessed at [icaew.com/PFI](https://www.icaew.com/PFI)



Financial statement

CORPORATE FINANCE FACULTY FINANCIAL STATEMENT 2020

	2020 £K	2019 £K
INCOME		
Income	571	563
Miscellaneous income	2	43
Total income	573	606
EXPENDITURE		
Staff costs	(329)	(344)
Events, publications and marketing	(383)	(257)
Infrastructure, finance and administration	(169)	(189)
Total expenditure	(881)	(790)
Faculty activities funded by ICAEW	308	184
NET POSITION FOR THE YEAR	0	0

Faculty board, committees and staff

(AS AT 31 DECEMBER 2020)

FACULTY BOARD

Mo Merali, Grant Thornton (Chair)
Yvette Allen, Deloitte
Jonathan Boyers, KPMG
Alistair Brew, BGF
Fenton Burgin, Deloitte
Lord Clement-Jones CBE, House of Lords
David Collins, Dentons
Diane Craig, RSM
Chris Hunt, Rentokil Initial
Chris Hurley, LDC
Chris Lowe, EY
Jon Moulton, Perscitus Advisers
Philip Robert-Tissot, Consultant
Maggie Rodriguez-Piza, Funding London
John Rugman, Smith & Williamson
Selina Sagayam, Gibson Dunn
Chris Searle, BDO
Duncan Skailes, PwC

TECHNICAL COMMITTEE

Yvette Allen, Deloitte (Chair)
David Cattermole, KPMG
Andrew Green, RSM
Roger Gregory, BDB Pitmans
James Harris, Strand Hanson
Chris Jarvill, EY
Katharine Johnson, PwC
Tandeep Minhas, Taylor Wessing
Susan Nyman, Grant Thornton
Chris Searle, BDO
Richard Thompson, N+1 Singer

MIDDLE EAST PANEL

Sam Surrey, Deloitte (Chair)
Nick Beer, Transguard
Ovais Chhotani, PwC
Richard Dingle, EY
Ossama Kayed, KPMG
Salmaan Khawaja, Grant Thornton
Mike Littlewood, HSBC Bank Middle East
Andrew Tarbuck, Al Tamimi

CORPORATE FINANCIER EDITORIAL PANEL

David Coffman, Novum Securities
Selina Sagayam, Gibson Dunn
Victoria Scott, Albion Capital
Jon Stubbings, Grant Thornton

CORPORATE FINANCE FACULTY STAFF

David Petrie, Head of Corporate Finance
Shaun Beaney, Manager, Corporate Finance Faculty
Katerina Joannou, Manager, Capital Markets Policy
Grace Gayle, Services Manager
Eva Mota, Operations Executive
Marc Mullen, Editor, *Corporate Financier* magazine

Chartered accountants are talented, ethical and committed professionals. There are more than 1.8m chartered accountants and students in the world, and more than 187,800 of them are members and students of ICAEW. All of the top 100 global brands employ chartered accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

We are proud to be a founding member of Chartered Accountants Worldwide, a network of 750,000 members across 190 countries which promotes the expertise and skills of chartered accountants around the world.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

www.charteredaccountantsworldwide.com
www.globalaccountingalliance.com

ICAEW

Chartered Accountants' Hall
Moorgate Place
London
EC2R 6EA UK

T +44 (0)20 7920 8689
E cff@icaew.com
icaew.com/cff

in ICAEW Corporate Finance Faculty
🐦 @ICAEW_CORP_FIN

ABOUT THE CORPORATE FINANCE FACULTY

The Corporate Finance Faculty is the ICAEW's centre of professional expertise in corporate finance. It contributes to policy development and responds to consultations by international organisations, governments, regulators and other professional bodies.

It provides a wide range of services, information, guidance, events and media to its members, including its highly regarded magazine *Corporate Financier* and its popular series of best-practice guidelines.

The three major themes for the faculty's initiatives are: Global Investment and M&A; Innovation and Sustainable Recovery; and Future Advisory Professionals.

The faculty's international network includes member organisations and individuals from major professional services groups, specialist advisory firms, companies, banks and alternative lenders, private equity, venture capital, law firms, brokers, consultants, policy-makers and academic experts. More than 40% of the faculty's membership are from beyond ICAEW.

The faculty also provides technical expertise for the ICAEW's Diploma in Corporate Finance.



* Source: CAW, 2020 - Interbrand, Best Global Brands 2019